

## Message Text

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PAGE 01 LUXEMB 00311 261424 Z

50

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 TAR-02 PA-03 PRS-01 USIA-12 RSR-01 /164 W

----- 038503

R 261345 Z APR 73

FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 3337

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY CANBERRA

C O N F I D E N T I A L LUXEMBOURG 0311

E. O. 11652 GDS

TAGS: EFIN, ETRD, LU

SUBJECT: MOVES TO COUNTER DOLLAR DEVALUATION ( C-ER- E-57235)

REF: STATE 070706

1. GOL HAS NOT INSTITUTED ANY PROGRAM FOR COUNTERING  
DOLLAR DEVALUATION FOR FOLLOWING REASONS:

A) COMPETITIVE POSITION OF EXPORTS TO LUXEMBOURG' S  
PRINCIPAL MARKETS, BELGIUM AND FRG, HAS NOT DETERIORATED  
BECAUSE OF DOLLAR DEVALUATIONS. EXPORTS TO US ACCOUNT  
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FOR LESS THAN 5 PERCENT OF TOTAL LUXEMBOURG EXPORTS.

B) EXPORTS ARE TOO LARGE A PERCENTAGE OF GNP TO ALLOW FOR ANY SIGNIFICANT PROGRAMS OF GOVERNMENTAL ASSISTANCE. THEY ACCOUNT FOR TWO THIRDS OF GNP. THE SMALL DOMESTIC MARKET MAKES IT IMPERATIVE FOR PRINCIPAL COMPANIES MANUFACTURING IN LUXEMBOURG, ARBED, GOODYEAR, DUPONT, MONSANTO AND GENERAL MOTORS, TO EXPORT MORE THAN 90 PERCENT OF THEIR PRODUCTION.

C) GOL HAS NO LEGISLATION PERMITTING FINANCING OR SUBSIDIZING EXPORTS. ONLY FACILITY AVAILABLE TO LUXEMBOURG COMPANIES IS THE BELGIAN NATIONAL OFFICE OF THE DU CROIRE ( BRUSSELS 2176) WHICH SERVICES LUXEMBOURG UNDER THE BELGIAN- LUXEMBOURG ECONOMIC UNION. GOL IS CONSIDERING PROPOSAL TO PROVIDE LIMITED LUMP SUM PAYMENT FOR COMPANIES EXPERIENCING LARGE EXPORT LOSSES. IMPACT WILL BE SMALL BECAUSE PROVISIONS APPLY ONLY TO SMALL COMPANIES.

2. GOL DOES NOT PLAN ANY NEW PROGRAMS FOR RESTRICTING IMPORTS OR PROMOTING EXPORTS. GALANTO

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973LUXEMB00311  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** n/a  
**Film Number:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 70706  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15-Aug-2001 by martinml>; APPROVED <10-Sep-2001 by boyleja>  
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30 JUN 2005

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980206  
**Subject:** MOVES TO COUNTER DOLLAR DEVALUATION ( C- ER- E-57235)  
**TAGS:** EFIN, ETRD, LU, US  
**To:** EB  
STATE INFO BONN  
BRUSSELS  
COPENHAGEN  
MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

